

- March 6, 2000**

4) What is the present posture of the negotiations?

BellSouth and Intermedia filed their briefs on February 29, 2000.

Pre-Hearing Conference

On February 23, 2000, the Executive Secretary sent a notice to schedule the Pre-Hearing Conference. The Pre-Hearing Conference was held on March 2, 2000, before Gary Hotvedt, Counsel, acting as Pre-Hearing Officer. The parties in attendance were:

BellSouth Telecommunications, Inc. – Guy Hicks, Esq., 333 Commerce Street, 22nd Floor, Nashville, TN 37201-3300; and telephonically, Langley Kitchings, Esq., 675 West Peachtree Street, Suite 4300, Atlanta, GA 30375.

Intermedia Communications, Inc. – Don Baltimore, Esq., 211 Seventh Avenue North, Suite 320, Nashville, TN 37219-1823; and telephonically, Enrico Soriano, Esq., 1200 Nineteenth Street, N.W., 5th Floor, Washington, D.C. 20036; Scott Sapperstein, Esq., and H. Edward Phillips, III, Esq., 3625 Queen Palm Drive, Tampa, FL 33619.

At the Pre-Hearing Conference on March 2, 2000, the Pre-Hearing Officer found, based upon the facts of this case as presented in both parties' briefs as well as the discussion at the Conference, that in accordance with Section III.B of the Amendment to the Interconnection Agreement, negotiations properly commenced on July 1, 1999. This meets the statutory requirements of Section 252 (b)(1) of the 1996 Act, therefore "July 1, 1999" triggered the 135-160 day window for Arbitration.

Due to the current status of negotiations, as well as similar proceedings in other states (approximately one-half of the issues raised in the Petition have been resolved), the parties proceeded to waive the nine (9) month statutory requirement for a decision. The parties further agreed to a mediation session, and will file an updated Joint Issues Matrix by March 9, 2000.

Discussion

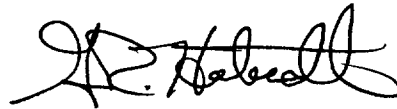
General procedure requires evaluation of Intermedia's response to the petition and a recommendation to the Directors regarding issues to be arbitrated and a procedural schedule to be set. The Directors, as Arbitrators, would rule on the issues to be arbitrated and the proposed schedule at a public conference. Therefore the Pre-Hearing Officer recommends that at this time, the Directors appoint a Pre-Arbitration Officer that is empowered to adopt issues, establish a procedural schedule, and make necessary preparations for arbitration.

The Pre-Hearing Officer recommends that the Directors order a mediation/negotiating meeting with the parties' respective negotiating teams and the Authority's representative or representatives. The negotiating teams should include a company representative with the authority to make any decisions necessary to resolve the remaining issues. This meeting will be geared toward ensuring that the parties have jointly identified the remaining issues and have a common understanding of those issues, as well as each other's position. Past experience has proven that, during this process, many issues can be resolved when the parties enter into "good faith" negotiations in the presence of a neutral party. A session of this type should shorten or perhaps eliminate the need for a costly time consuming arbitration proceeding.

Recommendations

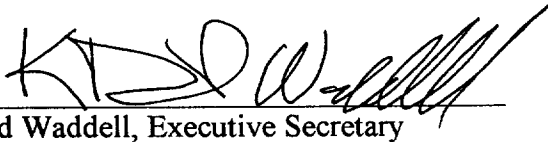
The Pre-Hearing Officer **recommends** that the Directors accept the petition solely for the purpose of establishing arbitration proceedings and appoint Arbitrators. The Pre-Hearing Officer also **recommends** that the Directors appoint a Pre-Arbitration Officer for the purposes of adopting and clarifying issues, establishing a procedural schedule, and for making necessary preparations of the case. Further, the Pre-Hearing Officer **recommends** that the Directors order a mediation/negotiating meeting with respective negotiating teams of the parties and a

representative of this Authority. Each negotiating team should include a representative of the company with the authority to make the decisions necessary to resolve any remaining issues. Finally, the Pre-Hearing Officer respectfully **recommends** that the Authority approve this Report and Recommendation.



Gary Hotvedt, Pre-Hearing Officer

ATTEST:



K. David Waddell, Executive Secretary